

House File 2689 - Reprinted

HOUSE FILE _____
BY COMMITTEE ON WAYS AND
MEANS

(SUCCESSOR TO HF 2632)
(SUCCESSOR TO HSB 746)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to renewable fuel, including by providing for
2 infrastructure associated with storing, blending, and
3 dispensing renewable fuel, providing for tax credits,
4 providing for the reporting of biofuels, providing for the
5 purchase of renewable fuels by governmental entities,
6 providing for renewable fuel marketing efforts, and providing
7 for effective dates and applicability; including retroactive
8 applicability.
9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
10 HF 2689
11 da/jg/25

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1 1 DIVISION I RENEWABLE FUEL INFRASTRUCTURE
1 2 Section 1. Section 15G.201, subsection 1, Code 2007, is
1 3 amended to read as follows:
1 4 1. "Biodiesel", "biodiesel blended fuel", "biodiesel
1 5 fuel", "E-85 gasoline", "ethanol", "ethanol blended gasoline",
1 6 "gasoline", "motor fuel", "~~motor fuel pump~~", "retail dealer",
1 7 and "retail motor fuel site" mean the same as defined in
1 8 section 214A.1.
1 9 Sec. 2. Section 15G.201, Code 2007, is amended by adding
1 10 the following new subsections:
1 11 NEW SUBSECTION. 4A. "Motor fuel pump" and "motor fuel
1 12 blender pump" or "blender pump" mean the same as defined in
1 13 section 214.1.
1 14 NEW SUBSECTION. 5A. "Tank vehicle" means the same as
1 15 defined in section 321.1.
1 16 Sec. 3. Section 15G.201, subsection 6, Code 2007, is
1 17 amended by adding the following new paragraph:
1 18 NEW PARAGRAPH. c. A biofuel manufacturer that is in the
1 19 business of producing ethanol or biodiesel from biomass as
1 20 defined in section 469.31.
1 21 Sec. 4. NEW SECTION. 15G.201A CLASSIFICATION OF
1 22 RENEWABLE FUEL.
1 23 For purposes of this division, ethanol blended fuel and
1 24 biodiesel fuel shall be classified in the same manner as
1 25 provided in section 214A.2.
1 26 Sec. 5. Section 15G.203, unnumbered paragraph 1, Code
1 27 Supplement 2007, is amended to read as follows:
1 28 A renewable fuel infrastructure program for retail motor
1 29 fuel sites is established in the department under the
1 30 direction of the renewable fuel infrastructure board created
1 31 pursuant to section 15G.202.
1 32 Sec. 6. Section 15G.203, subsection 1, Code Supplement
1 33 2007, is amended to read as follows:
1 34 1. The purpose of the program is to improve retail motor
1 35 fuel sites by installing, replacing, or converting ~~motor fuel~~
2 1 ~~storage and dispensing~~ infrastructure. ~~The infrastructure~~
2 2 ~~must be to be used to store, blend, or dispense renewable~~
2 3 ~~fuel. The infrastructure shall be ethanol infrastructure or~~
2 4 ~~biodiesel infrastructure.~~
2 5 a. (1) Ethanol infrastructure shall be designed and shall
2 6 be used exclusively to store do any of the following:
2 7 (a) Store and dispense renewable fuel which is E-85
2 8 gasoline.
2 9 (b) Store, blend, and dispense motor fuel from a motor
2 10 fuel blender pump, as required in this subparagraph

2 11 subdivision. The ethanol infrastructure must provide for the
2 12 storage of ethanol or ethanol blended gasoline, or for
2 13 blending ethanol with gasoline. The ethanol infrastructure
2 14 must at least include a motor fuel blender pump which
2 15 dispenses different classifications of ethanol blended
2 16 gasoline and allows E-85 gasoline to be dispensed at all times
2 17 that the blender pump is operating.

2 18 (2) Biodiesel infrastructure shall be designed and used
2 19 exclusively to do any of the following:

2 20 (a) Store and dispense biodiesel, or biodiesel blended
2 21 fuel on the.

2 22 (b) Blend or dispense biodiesel fuel from a motor fuel
2 23 blender pump.

2 24 b. The infrastructure must be part of the premises of a
2 25 retail motor fuel sites site operated by a retail dealers
2 26 dealer. The infrastructure shall not include a tank vehicle.

2 27 Sec. 7. Section 15G.203, subsection 3, Code Supplement
2 28 2007, is amended by striking the subsection.

2 29 Sec. 8. Section 15G.203, subsection 4, paragraph b,
2 30 subparagraphs (3) and (4), Code Supplement 2007, are amended
2 31 to read as follows:

2 32 (3) A statement describing how the retail motor fuel site
2 33 is to be improved, the total estimated cost of the planned
2 34 improvement, and the date when the infrastructure will be
2 35 first used to store and dispense the renewable fuel.

3 1 (4) A statement certifying that the infrastructure shall
3 2 not only be used to store or dispense motor fuel other than
3 3 E-85 gasoline, biodiesel, or biodiesel blended fuel comply
3 4 with the provisions of this section and as specified in the
3 5 cost-share agreement, unless granted a waiver by the
3 6 infrastructure board pursuant to this section.

3 7 Sec. 9. Section 15G.203, subsection 6, Code Supplement
3 8 2007, is amended by striking the subsection.

3 9 Sec. 10. Section 15G.203, subsection 7, Code Supplement
3 10 2007, is amended to read as follows:

3 11 7. An award of financial incentives to a participating
3 12 person shall be on a cost-share basis in the form of a grant.
3 13 To

3 14 In order to participate in the program, an eligible person
3 15 must execute a cost-share agreement with the department as
3 16 approved by the infrastructure board in which the person
3 17 contributes a percentage of the total costs related to
3 18 improving the retail motor fuel site. A cost-share agreement
3 19 shall be for a three-year period or a five-year period. A
3 20 cost-share agreement shall include provisions for standard
3 21 financial incentives or standard financial incentives and
3 22 supplemental financial incentives as provided in this
3 23 subsection. The infrastructure board may approve multiple
3 24 improvements to the same retail motor fuel site for the full
3 25 amount available for both ethanol infrastructure and biodiesel
3 26 infrastructure so long as the improvements for ethanol
3 27 infrastructure and for biodiesel infrastructure are made under
3 28 separate cost-share agreements.

3 29 a. (1) Except as provided in paragraph "b", a
3 30 participating person may be awarded standard financial
3 31 incentives to make improvements to a retail motor fuel site.
3 32 The standard financial incentives awarded to the a
3 33 participating person shall not exceed the following:

3 34 (a) For a three-year cost-share agreement, fifty percent
3 35 of the actual cost of making the improvement or thirty
4 1 thousand dollars, whichever is less.

4 2 (b) For a five-year cost-share agreement, seventy percent
4 3 of the actual cost of making the improvement or fifty thousand
4 4 dollars, whichever is less.

4 5 (2) The infrastructure board may approve multiple awards
4 6 of standard financial incentives to make improvements to a
4 7 retail motor fuel site so long as the total amount of the
4 8 awards for ethanol infrastructure or biodiesel infrastructure
4 9 does not exceed the limitations provided in this paragraph
4 10 subparagraph (1).

4 11 b. In addition to any standard financial incentives
4 12 awarded to a participating person under paragraph "a", the
4 13 participating person may be awarded supplemental financial
4 14 incentives to make improvements to a retail motor fuel site to
4 15 upgrade do any of the following:

4 16 (1) Upgrade or replace a dispenser which is part of
4 17 gasoline storage and dispensing infrastructure used to store
4 18 and dispense E-85 gasoline as provided in section 455G.31.
4 19 The participating person is only eligible to receive be
4 20 awarded the supplemental financial incentives if the person
4 21 installed the dispenser not later than sixty days after the

4 22 date of the publication in the Iowa administrative bulletin of
4 23 the state fire marshal's order providing that a commercially
4 24 available dispenser is listed as compatible for use with E=85
4 25 gasoline by an independent testing laboratory as provided in
4 26 section 455G.31. The supplemental financial incentives
4 27 awarded to the participating person shall not exceed
4 28 seventy-five percent of the actual cost of making the
4 29 improvement or thirty thousand dollars, whichever is less.

4 30 (2) To improve additional retail motor fuel sites owned or
4 31 operated by a participating person within a twelve-month
4 32 period as provided in the cost-share agreement. The
4 33 supplemental financial incentives shall be used for the
4 34 installation of an additional tank and associated
4 35 infrastructure at each such retail motor fuel site. A
5 1 participating person may be awarded supplemental financial
5 2 incentives under this subparagraph and standard financial
5 3 incentives under paragraph "a" to improve the same motor fuel
5 4 site. The supplemental financial incentives awarded to the
5 5 participating person shall not exceed thirty-five thousand
5 6 dollars. The participating person shall be awarded the
5 7 supplemental financial incentives on a cumulative basis
5 8 according to the schedule provided in this subparagraph, which
5 9 shall not exceed the following:

5 10 (a) For the second retail motor fuel site, five thousand
5 11 dollars.

5 12 (b) For the third retail motor fuel site, seven thousand
5 13 five hundred dollars.

5 14 (c) For the fourth retail motor fuel site, ten thousand
5 15 dollars.

5 16 (d) For the fifth retail motor fuel site, twelve thousand
5 17 five hundred dollars.

5 18 Sec. 11. Section 15G.204, subsection 2, Code Supplement
5 19 2007, is amended by striking the subsection.

5 20 Sec. 12. Section 15G.204, subsection 4, Code Supplement
5 21 2007, is amended to read as follows:

5 22 4. a. An award of financial incentives to a participating
5 23 person shall be in the form of a grant. In order to
5 24 participate in the program, an eligible person must execute a
5 25 cost-share agreement with the department as approved by the
5 26 infrastructure board in which the person contributes a
5 27 percentage of the total costs related to improving the
5 28 terminal. The financial incentives awarded to the
5 29 participating person shall not exceed the following:

5 30 (1) For improvements to store, blend, or dispense
5 31 biodiesel fuel from B=2 or higher but not as high as B=99,
5 32 fifty percent of the actual cost of making the improvements or
5 33 fifty thousand dollars, whichever is less.

5 34 (2) For improvements to store, blend, or dispense
5 35 biodiesel fuel from B=99 to B=100, fifty percent of the actual
6 1 cost of making the improvements or one hundred fifty thousand
6 2 dollars, whichever is less.

6 3 b. The infrastructure board may approve multiple awards to
6 4 make improvements to a terminal so long as the total amount of
6 5 the awards does not exceed the limitations provided in this
6 6 subsection paragraph "a".

6 7 Sec. 13. Section 214.1, Code 2007, is amended to read as
6 8 follows:

6 9 214.1 DEFINITIONS.

6 10 For the purpose of As used in this chapter, unless the
6 11 context otherwise requires:

6 12 1. "Biodiesel", "biodiesel fuel", "biofuel", "ethanol",
6 13 "motor fuel", "retail dealer", "retail motor fuel site", and
6 14 "wholesale dealer" mean the same as defined in section 214A.1.

6 15 2. "Commercial weighing and measuring device" or "device"
6 16 means the same as defined in section 215.26.

6 17 2- 3. "Motor fuel" means the same as defined in section
6 18 214A.1 fuel blender pump" or "blender pump" means a motor fuel
6 19 pump that dispenses a type of motor fuel that is blended from
6 20 two or more different types of motor fuels and which may
6 21 dispense more than one type of blended motor fuel.

6 22 3- 4. "Motor fuel pump" means a pump, meter, or similar
6 23 commercial weighing and measuring device used to measure and
6 24 dispense motor fuel on a retail basis.

6 25 4. "Retail dealer" means the same as defined in section
6 26 214A.1.

6 27 5. "Wholesale dealer" means the same as defined in section
6 28 214A.1 "Motor fuel storage tank" or "storage tank" means an
6 29 aboveground or belowground container that is a fixture used to
6 30 store an accumulation of motor fuel.

6 31 Sec. 14. Section 214.9, Code 2007, is amended to read as
6 32 follows:

6 33 214.9 SELF-SERVICE MOTOR FUEL PUMPS.

6 34 ~~Self-service~~ A self-service motor fuel pumps pump located
6 35 at a retail motor vehicle fuel stations site may be equipped
7 1 with an automatic latch=open devices device on the fuel
7 2 dispensing hose nozzle only if the nozzle valve is the
7 3 automatic closing type.

7 4 Sec. 15. Section 214A.1, Code 2007, is amended by adding
7 5 the following new subsection:

7 6 NEW SUBSECTION. 4A. "Biodiesel fuel" means biodiesel or
7 7 biodiesel blended fuel.

7 8 Sec. 16. Section 214A.1, subsections 9, 14, and 15, Code
7 9 2007, are amended to read as follows:

7 10 9. "E=85 gasoline" or "E=85" means ethanol blended
7 11 gasoline formulated with a ~~minimum~~ percentage of between
7 12 seventy and eighty=five percent by volume of ethanol, if the
7 13 formulation meets the standards provided in section 214A.2.

7 14 14. "Motor fuel pump" and "motor fuel blender pump" or
7 15 "blender pump" means the same as defined in section 214.1.

7 16 15. "Motor fuel storage tank" means ~~an aboveground or~~
7 17 ~~belowground container that is a fixture, used to keep an~~
7 18 ~~accumulation of motor fuel the same as defined in section~~
7 19 ~~214.1.~~

7 20 Sec. 17. Section 214A.1, Code 2007, is amended by adding
7 21 the following new subsection:

7 22 NEW SUBSECTION. 21A. "Unleaded gasoline" means gasoline,
7 23 including ethanol blended gasoline, if all of the following
7 24 applies:

7 25 a. It has an octane number of not less than eighty=seven
7 26 as provided in section 214A.2.

7 27 b. Lead or phosphorus compounds have not been
7 28 intentionally added to it.

7 29 c. It does not contain more than thirteen thousandths
7 30 grams of lead per liter and not more than thirteen
7 31 ten=thousandths grams of phosphorus per liter.

7 32 Sec. 18. Section 214A.2, subsection 3, paragraph b, Code
7 33 2007, is amended to read as follows:

7 34 b. If the motor fuel is advertised for sale or sold as
7 35 ethanol blended gasoline, the motor fuel must comply with
8 1 departmental standards which shall ~~comply with specifications~~
8 2 ~~for ethanol blended gasoline adopted by A.S.T.M.~~

8 3 ~~international. For ethanol blended gasoline meet~~ all of the
8 4 following ~~shall apply~~ requirements:

8 5 (1) Ethanol must be an agriculturally derived ethyl
8 6 alcohol that meets A.S.T.M. international specification D4806
8 7 for denatured fuel ethanol for blending with gasoline for use
8 8 as automotive spark=ignition engine fuel, or a successor
8 9 A.S.T.M. international specification, as established by rules
8 10 adopted by the department.

8 11 (2) Gasoline blended with ethanol must meet any of the
8 12 following requirements:

8 13 (a) For the gasoline, A.S.T.M. international specification
8 14 D4814.

8 15 (b) For the ethanol blended gasoline, A.S.T.M.
8 16 international specification D4814.

8 17 (c) For the gasoline, A.S.T.M. international specification
8 18 D4814 except for distillation, if, for E=10 or a

8 19 classification below E=10, the ethanol blended gasoline meets
8 20 the requirements of A.S.T.M. international specification

8 21 D4814.

8 22 (3) For ethanol blended gasoline ~~other than E=85 gasoline,~~
8 23 ~~at least ten nine percent of the gasoline~~ by volume must be
8 24 fuel grade ethanol. In addition the following applies:

8 25 (a) For the period beginning on September 16 and ending on
8 26 May 31 of each year, the state grants a waiver of one pound
8 27 per square inch from the A.S.T.M. international D4814 Reid
8 28 vapor pressure requirement.

8 29 (b) For the period beginning on June 1 and ending on
8 30 September 15 of each year the United States environmental
8 31 protection agency must grant a one pound per square inch
8 32 waiver for ethanol blended conventional gasoline with at least
8 33 nine but not more than ten percent by volume of ethanol
8 34 pursuant to 40 C.F.R. } 80.27.

8 35 (4) E=85 gasoline must be an agriculturally derived ethyl
9 1 alcohol that meets A.S.T.M. international specification
9 2 D5798, described as a fuel blend for use in ground vehicles
9 3 with automotive spark=ignition engines, or a successor
9 4 A.S.T.M. international specification, as established by rules
9 5 adopted by the department.

9 6 Sec. 19. Section 214A.2, Code 2007, is amended by adding
9 7 the following new subsection:

9 8 NEW SUBSECTION. 4A. Ethanol blended gasoline shall be

9 9 designated E=xx where "xx" is the volume percent of ethanol in
9 10 the ethanol blended gasoline and biodiesel shall be designated
9 11 B=xx where "xx" is the volume percent of biodiesel.
9 12 Sec. 20. Section 214A.2B, Code Supplement 2007, is amended
9 13 to read as follows:
9 14 214A.2B LABORATORY FOR MOTOR FUEL AND BIOFUELS.
9 15 A laboratory for motor fuel and biofuels is established at
9 16 a merged area school which is engaged in biofuels testing on
9 17 July 1, 2007, and which testing includes but is not limited to
9 18 ~~B=20 B=20~~ biodiesel fuel testing for motor trucks and the
9 19 ability of biofuels to meet A.S.T.M. international standards.
9 20 The laboratory shall conduct testing of motor fuel sold in
9 21 this state and biofuel which is blended in motor fuel in this
9 22 state to ensure that the motor fuel or biofuels meet the
9 23 requirements in section 214A.2.
9 24 Sec. 21. Section 214A.3, subsection 2, paragraph b, Code
9 25 2007, is amended to read as follows:
9 26 b. (1) Ethanol blended gasoline sold by a dealer shall be
9 27 designated ~~E=xx where "xx" is the volume percent of ethanol in~~
~~9 28 the ethanol blended gasoline according to its classification~~
9 29 as provided in section 214A.2. However, a person advertising
9 30 E=9 or E=10 gasoline may only designate it as ethanol blended
9 31 gasoline. A person advertising ethanol blended gasoline
9 32 formulated with a percentage of between seventy and
9 33 eighty-five percent by volume of ethanol shall designate it as
9 34 E=85. A person shall not knowingly falsely advertise ethanol
9 35 blended gasoline by using an inaccurate designation in
10 1 violation of this subparagraph.
10 2 (2) Biodiesel ~~blended~~ fuel shall be designated ~~B=xx where~~
~~10 3 "xx" is the volume percent of biodiesel in the biodiesel~~
~~10 4 blended fuel according to its classification as provided in~~
10 5 section 214A.2. A person shall not knowingly falsely
10 6 advertise biodiesel blended fuel by using an inaccurate
10 7 designation in violation of this subparagraph.
10 8 Sec. 22. Section 214A.16, Code 2007, is amended to read as
10 9 follows:
10 10 214A.16 NOTICE OF BLENDED FUEL == DECAL.
10 11 1. If motor fuel containing a renewable fuel is sold from
10 12 a motor fuel pump, the pump shall have affixed a decal
10 13 identifying the name of the renewable fuel. The decal ~~may~~
10 14 shall be different based on the type of renewable fuel ~~used~~
10 15 dispensed. If the motor fuel pump dispenses ethanol blended
10 16 gasoline classified as higher than E=10 pursuant to section
10 17 214A.2, the decal shall contain the following notice: "FOR
10 18 FLEXIBLE FUEL VEHICLES ONLY".
10 19 2. The design and location of the decal shall be
10 20 prescribed by rules adopted by the department. A decal
10 21 identifying a renewable fuel shall be consistent with
10 22 standards adopted pursuant to section 159A.6. The department
10 23 may approve an application to place a decal in a special
10 24 location on a pump or container or use a decal with special
10 25 lettering or colors, if the decal appears clear and
10 26 conspicuous to the consumer. The application shall be made in
10 27 writing pursuant to procedures adopted by the department.
10 28 Sec. 23. Section 455G.31, subsection 1, Code Supplement
10 29 2007, is amended to read as follows:
10 30 1. As used in this section, unless the context otherwise
10 31 requires:
10 32 a. "Dispenser" includes a motor fuel pump, including but
10 33 not limited to a motor fuel blender pump.
10 34 ~~a.~~ b. "E=85 gasoline", "ethanol blended gasoline", and
10 35 "retail dealer" mean the same as defined in section 214A.1.
11 1 ~~b.~~ c. "Gasoline storage and dispensing infrastructure"
11 2 means any storage tank located below ground or above ground
11 3 and any associated equipment including but not limited to a
11 4 pipe, hose, connection, fitting seal, or motor fuel pump,
11 5 which is used to store, measure, and dispense gasoline by a
11 6 retail dealer.
11 7 d. Ethanol blended gasoline shall be designated in the
11 8 same manner as provided in section 214A.2.
11 9 e. "Motor fuel pump" means the same as defined in section
11 10 214.1.
11 11 Sec. 24. Section 455G.31, subsection 2, unnumbered
11 12 paragraph 1, Code Supplement 2007, is amended to read as
11 13 follows:
11 14 A retail dealer may use gasoline storage and dispensing
11 15 infrastructure to store and dispense ~~E=85~~ ethanol blended
11 16 gasoline classified as E=9 or higher if all of the following
11 17 apply:
11 18 Sec. 25. Section 455G.31, subsection 2, paragraph a, Code
11 19 Supplement 2007, is amended to read as follows:

11 20 a. For gasoline storage and dispensing infrastructure
11 21 other than the dispenser, the department of natural resources
11 22 under this chapter or the state fire marshal under chapter 101
11 23 must determine that it is compatible with ~~E=85~~ the ethanol
11 24 blended gasoline being used.

11 25 Sec. 26. Section 455G.31, subsection 2, paragraph b,
11 26 subparagraph (1), subparagraph subdivision (a), Code
11 27 Supplement 2007, is amended to read as follows:
11 28 (a) The dispenser must be listed by an independent testing
11 29 laboratory as compatible with ethanol blended gasoline
11 30 classified as E=9 or higher.

11 31 Sec. 27. Section 15.401, Code 2007, is repealed.
11 32 Sec. 28. RENEWABLE FUEL INFRASTRUCTURE == STANDARD
11 33 FINANCIAL INCENTIVES AWARDED FOR THE ACQUISITION OF TANK
11 34 VEHICLES.

11 35 1. Notwithstanding the amendments to section 15G.203,
12 1 subsection 1, paragraph "b", as enacted in this Act, a person
12 2 may participate in the renewable fuel infrastructure program
12 3 for retail motor fuel sites as provided in section 15G.203, as
12 4 amended by this Act, for the acquisition of any of the
12 5 following:
12 6 a. One tank vehicle used to store and dispense E=85
12 7 gasoline, which shall be deemed ethanol infrastructure.
12 8 b. One tank vehicle used to store and dispense biodiesel
12 9 or biodiesel blended fuel, which shall be deemed biodiesel
12 10 infrastructure.

12 11 2. The renewable fuel infrastructure board may approve an
12 12 award of financial incentives for the acquisition of a tank
12 13 vehicle as provided in a cost=share agreement for a three=year
12 14 period as provided in section 15G.203, as amended by this Act.
12 15 The standard financial incentives awarded to the participating
12 16 person shall not exceed fifty percent of the actual cost of
12 17 the acquisition of the tank vehicle or thirty thousand
12 18 dollars, whichever is less. The infrastructure board may
12 19 approve an application for both a tank vehicle used to store
12 20 and dispense E=85 gasoline as ethanol infrastructure and for a
12 21 tank vehicle used to store and dispense biodiesel or biodiesel
12 22 blended fuel as biodiesel infrastructure so long as the
12 23 standard financial incentives awarded to the participating
12 24 person for the acquisition of the two tank vehicles are made
12 25 under separate cost=share agreements.

12 26 3. In order to participate in the renewable fuel
12 27 infrastructure program for retail motor fuel sites as provided
12 28 in this section, a person must apply to the department of
12 29 economic development as provided in section 15G.203, as
12 30 amended by this Act, not later than December 31, 2008.

12 31 Sec. 29. RENEWABLE FUEL INFRASTRUCTURE PROGRAMS ==
12 32 CONSIDERATION OF APPLICATIONS.

12 33 1. The renewable fuel infrastructure board created in
12 34 section 15G.202 may award financial incentives to a person
12 35 participating in the renewable fuel infrastructure program for
13 1 retail motor fuel sites for an amount provided in section
13 2 15G.203, subsection 7, as amended in this Act, if the person
13 3 applied to the department of economic development on or after
13 4 February 19, 2008.

13 5 2. The renewable fuel infrastructure board created in
13 6 section 15G.202 may award financial incentives to a person
13 7 participating in the renewable fuel infrastructure program for
13 8 terminal facilities for an amount provided in section 15G.204,
13 9 subsection 4, as amended in this Act, if the person applied to
13 10 the department of economic development on or after February
13 11 19, 2008.

13 12 Sec. 30. SECRETARY OF AGRICULTURE == APPLICATION TO THE
13 13 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY. The secretary
13 14 of agriculture shall make application to the United States
13 15 environmental protection agency to obtain approval for the use
13 16 of ethanol blended gasoline containing more than ten percent
13 17 ethanol by volume in this state by gasoline=powered vehicles
13 18 other than flexible fuel vehicles. The application shall, as
13 19 necessary, seek a waiver of relevant standards promulgated by
13 20 the agency under the federal Clean Air Act, including but not
13 21 limited to 42 U.S.C. } 7545 and 40 C.F.R. pt. 80. Within
13 22 sixty days after obtaining such approval, the secretary of
13 23 agriculture shall publish a notice in the Iowa administrative
13 24 bulletin certifying the approval.

13 25 Sec. 31. LEGISLATIVE INTENT == FUTURE REVENUE SOURCES. It
13 26 is the intent of the general assembly that all options be
13 27 examined in order to continue the financing of renewable fuel
13 28 infrastructure as provided in chapter 15G, subchapter II.

13 29 Sec. 32. EFFECTIVE DATES.
13 30 1. Except as provided in subsection 2, this division of

13 31 this Act, being deemed of immediate importance, takes effect
13 32 upon enactment.

13 33 2. The amendments to section 15G.204, subsection 4, as
13 34 amended by this division of this Act, take effect January 1,
13 35 2009.

14 1 DIVISION II

14 2 BIODIESEL BLENDED FUEL INCOME TAX CREDIT

14 3 Sec. 33. Section 422.11P, subsection 3, Code Supplement
14 4 2007, is amended to read as follows:

14 5 3. a. The tax credit shall be calculated separately for
14 6 each retail motor fuel site operated by the taxpayer.

14 7 b. The amount of the tax credit is three cents multiplied
14 8 by the total number of gallons of biodiesel blended fuel sold
14 9 and dispensed by the retail dealer through all motor fuel
14 10 pumps operated by the retail dealer during the retail dealer's
14 11 tax year.

14 12 Sec. 34. Section 422.33, subsection 11C, paragraph c, Code
14 13 Supplement 2007, is amended to read as follows:

14 14 c. The tax credit shall be calculated separately for each
14 15 retail motor fuel site operated by the taxpayer.

14 16 d. This subsection is repealed on January 1, 2012.

14 17 Sec. 35. RETROACTIVE APPLICABILITY DATE. Section 422.11P,
14 18 as amended by this Act, and section 422.33, subsection 11C, as
14 19 applied due to the enactment of this Act, shall apply
14 20 retroactively to tax years beginning on or after January 1,
14 21 2008.

14 22 Sec. 36. EFFECTIVE DATE. This division of this Act, being
14 23 deemed of immediate importance, takes effect upon enactment.

14 24 DIVISION III

14 25 BIOFUEL REPORTING

14 26 Sec. 37. Section 452A.2, Code 2007, is amended by adding
14 27 the following new subsection:

14 28 NEW SUBSECTION. 4A. "Biofuel producer" means a person
14 29 required to be licensed pursuant to this division who produces
14 30 biofuel from a production facility located in this state.

14 31 Sec. 38. NEW SECTION. 452A.30 DEFINITIONS. The words
14 32 and phrases used in this division shall have the same meaning
14 33 as defined in section 452A.2.

14 34 Sec. 39. Section 452A.33, Code 2007, is amended by adding
14 35 the following new subsection:

15 1 NEW SUBSECTION. 1A. a. Each biofuel producer shall
15 2 report the total number of gallons of biofuel produced by the
15 3 biofuel producer for a determination period. The report shall
15 4 include all of the following:

15 5 (1) The total number of gallons of ethanol produced at
15 6 each production facility located in this state, the total
15 7 number of gallons of ethanol produced at all production
15 8 facilities located in this state, and the total number of
15 9 gallons of ethanol delivered by the biofuel producer to
15 10 destinations outside of this state.

15 11 (2) The total number of gallons of biodiesel produced at
15 12 each production facility located in this state, the total
15 13 number of gallons of biodiesel produced at all production
15 14 facilities located in this state, and the total number of
15 15 gallons of biodiesel delivered to destinations outside of this
15 16 state.

15 17 b. The biofuel producer shall prepare and submit the
15 18 report in a manner and according to procedures required by the
15 19 department. The department may require that a biofuel
15 20 producer report to the department on an annual, quarterly, or
15 21 monthly basis.

15 22 c. The information included in a report submitted by a
15 23 biofuel producer that identifies the location of a production
15 24 facility is deemed to be a trade secret, protected as a
15 25 confidential record pursuant to section 22.7.

15 26 Sec. 40. Section 452A.33, Code 2007, is amended by adding
15 27 the following new subsection:

15 28 NEW SUBSECTION. 2A. On or before April 1 of each year the
15 29 department shall deliver a report to the governor and the
15 30 legislative services agency. The report shall compile
15 31 information reported by biofuel producers.

15 32 a. The report shall include all of the following:

15 33 (1) The total number of gallons of ethanol produced in
15 34 this state and the total number of gallons of ethanol
15 35 delivered to destinations outside of this state.

16 1 (2) The total number of gallons of biodiesel produced in
16 2 this state and the total number of gallons of biodiesel
16 3 delivered to destinations outside of this state.

16 4 b. The report shall not provide information classified as
16 5 a trade secret protected as a confidential record pursuant to
16 6 this section.

16 7 Sec. 41. CODE EDITOR. The Code editor shall codify
16 8 section 452A.30, as enacted in this division of this Act, as
16 9 part of chapter 452A, division II.

16 10 DIVISION IV
16 11 GOVERNMENT FLEET PURCHASES
16 12 OF RENEWABLE FUELS

16 13 Sec. 42. Section 8A.362, subsection 3, paragraph b, Code
16 14 Supplement 2007, is amended to read as follows:

16 15 b. A ~~gasoline-powered~~ motor vehicle operated under this
16 16 subsection shall not operate on gasoline other than ethanol
16 17 blended gasoline as defined in section 214A.1, unless under
16 18 emergency circumstances. ~~A diesel-powered motor vehicle~~
16 19 ~~operated under this subsection shall not operate on diesel~~
16 20 ~~fuel other than biodiesel fuel as defined in section 214A.1,~~
16 21 ~~if commercially available.~~ A state-issued credit card ~~used to~~
16 22 ~~purchase gasoline~~ shall not be valid to purchase gasoline
16 23 other than ethanol blended gasoline, if commercially
16 24 available, ~~or to purchase diesel fuel other than biodiesel~~
16 25 ~~fuel, if commercially available.~~ The motor vehicle shall also
16 26 be affixed with a brightly visible sticker which notifies the
16 27 traveling public that the motor vehicle is being operated on
16 28 ethanol blended gasoline ~~or biodiesel fuel, as applicable.~~
16 29 However, the sticker is not required to be affixed to an
16 30 unmarked vehicle used for purposes of providing law
16 31 enforcement or security.

16 32 Sec. 43. Section 216B.3, subsection 16, paragraph a, Code
16 33 Supplement 2007, is amended to read as follows:

16 34 a. A ~~gasoline-powered~~ motor vehicle purchased by the
16 35 commission shall not operate on gasoline other than ethanol
17 1 blended gasoline as defined in section 214A.1. ~~A~~
17 2 ~~diesel-powered motor vehicle purchased by the commission shall~~
17 3 ~~not operate on diesel fuel other than biodiesel fuel as~~
17 4 ~~defined in section 214A.1, if commercially available.~~ A state
17 5 issued credit card ~~used to purchase gasoline~~ shall not be
17 6 valid to purchase gasoline other than ethanol blended gasoline
17 7 ~~or to purchase diesel fuel other than biodiesel fuel, if~~
17 8 ~~commercially available.~~ The motor vehicle shall also be
17 9 affixed with a brightly visible sticker which notifies the
17 10 traveling public that the motor vehicle is being operated on
17 11 ethanol blended gasoline ~~or biodiesel fuel, as applicable.~~
17 12 However, the sticker is not required to be affixed to an
17 13 unmarked vehicle used for purposes of providing law
17 14 enforcement or security.

17 15 Sec. 44. Section 262.25A, subsection 2, Code Supplement
17 16 2007, is amended to read as follows:

17 17 2. A ~~gasoline-powered~~ motor vehicle purchased by the
17 18 institutions shall not operate on gasoline other than ethanol
17 19 blended gasoline as defined in section 214A.1, unless under
17 20 emergency circumstances ~~or if to do so would result in the use~~
17 21 ~~of a percentage of ethanol blended gasoline higher than~~
17 22 ~~recommended by the vehicle manufacturer or would result in a~~
17 23 ~~violation of the vehicle's manufacturer warranty.~~ ~~A~~
17 24 ~~diesel-powered motor vehicle purchased by the institutions~~
17 25 ~~shall not operate on diesel fuel other than biodiesel fuel as~~
17 26 ~~defined in section 214A.1, if commercially available, unless~~
17 27 ~~to do so would result in the use of a percentage of biodiesel~~
17 28 ~~not recommended by the vehicle manufacturer or would result in~~
17 29 ~~violation of the vehicle's manufacturer warranty, or under~~
17 30 ~~emergency circumstances.~~ A state-issued credit card ~~used to~~
17 31 ~~purchase gasoline~~ shall not be ~~valid~~ used to purchase gasoline
17 32 other than ethanol blended gasoline if commercially available
17 33 ~~or to purchase diesel fuel other than biodiesel fuel if~~
17 34 ~~commercially available.~~ The motor vehicle shall also be
17 35 affixed with a brightly visible sticker which notifies the
18 1 traveling public that the motor vehicle is being operated on
18 2 ethanol blended gasoline ~~or biodiesel fuel, as applicable.~~
18 3 However, the sticker is not required to be affixed to an
18 4 unmarked vehicle used for purposes of providing law
18 5 enforcement or security.

18 6 Sec. 45. Section 307.21, subsection 4, paragraph d, Code
18 7 Supplement 2007, is amended to read as follows:

18 8 d. A ~~motor gasoline-powered~~ vehicle purchased by the
18 9 administrator shall not operate on gasoline other than ethanol
18 10 blended gasoline as defined in section 214A.1. ~~A~~
18 11 ~~diesel-powered motor vehicle purchased by the administrator~~
18 12 ~~shall not operate on diesel fuel other than biodiesel fuel as~~
18 13 ~~defined in section 214A.1, if commercially available.~~ A
18 14 state-issued credit card ~~used to purchase gasoline~~ shall not
18 15 be valid to purchase gasoline other than ethanol blended
18 16 gasoline ~~or to purchase diesel fuel other than biodiesel fuel,~~
18 17 ~~if commercially available.~~ The motor vehicle shall also be

18 18 affixed with a brightly visible sticker which notifies the
18 19 traveling public that the motor vehicle is being operated on
18 20 ethanol blended gasoline or biodiesel fuel, as applicable.
18 21 However, the sticker is not required to be affixed to an
18 22 unmarked vehicle used for purposes of providing law
18 23 enforcement or security.
18 24 Sec. 46. Section 904.312A, subsection 1, Code Supplement
18 25 2007, is amended to read as follows:
18 26 1. A ~~gasoline-powered~~ motor vehicle purchased by the
18 27 department shall not operate on gasoline other than ethanol
18 28 blended gasoline as defined in section 214A.1. A
18 29 ~~diesel-powered motor vehicle purchased by the department shall~~
18 30 ~~not operate on diesel fuel other than biodiesel fuel as~~
18 31 ~~defined in section 214A.1, if commercially available.~~ A
18 32 state-issued credit card ~~used to purchase gasoline~~ shall not
18 33 be valid to purchase gasoline other than ethanol blended
18 34 gasoline, ~~or to purchase diesel fuel other than biodiesel~~
18 35 ~~fuel, if commercially available.~~ The motor vehicle shall also

19 1 be affixed with a brightly visible sticker which notifies the
19 2 traveling public that the motor vehicle is being operated on
19 3 ethanol blended gasoline or biodiesel fuel, as applicable.
19 4 However, the sticker is not required to be affixed to an
19 5 unmarked vehicle used for purposes of providing law
19 6 enforcement or security.

19 7 Sec. 47. USE OF BIODIESEL FUEL BY LOCAL ENTITIES. It is
19 8 the policy of the state to encourage the use of biodiesel fuel
19 9 to the extent practical in all diesel-powered motor vehicles
19 10 purchased or used by cities, counties, school corporations,
19 11 and merged area schools.

19 12 Sec. 48. EFFECTIVE DATE. This division of this Act, being
19 13 deemed of immediate importance, takes effect upon enactment.

19 14 DIVISION V

19 15 RENEWABLE FUELS MARKETING EFFORTS

19 16 Sec. 49. DEFINITIONS. As used in this division of this
19 17 Act, unless the context otherwise requires:

19 18 1. "Biodiesel blended fuel", "biofuel", "E=85", and
19 19 "retail dealer" mean the same as defined in section 214A.1.

19 20 2. "Renewable fuel" means biodiesel blended fuel or
19 21 ethanol blended gasoline.

19 22 Sec. 50. RENEWABLE FUELS MARKETING PLAN. The office of
19 23 energy independence shall develop a renewable fuels marketing
19 24 plan to promote the biofuel industry in this state.

19 25 1. The renewable fuels marketing plan shall provide for
19 26 research to determine what barriers hinder the increased use
19 27 of renewable fuels, including renewable fuels containing
19 28 higher blends of biofuels in this state. The research shall
19 29 include but is not limited to determining all of the
19 30 following:

19 31 a. Barriers that may prevent retail dealers from selling
19 32 more renewable fuels, which shall at least include issues
19 33 involving infrastructure, product quality, and cost
19 34 efficiencies.

19 35 b. Barriers that may prevent consumers from purchasing
20 1 more renewable fuels, which shall at least include issues
20 2 involving fuel efficiency and consumer awareness of renewable
20 3 fuels and flexible fuel vehicles.

20 4 2. The office shall prepare and submit the renewable
20 5 fuels marketing plan to the governor and the general assembly
20 6 by January 30, 2009.

20 7 Sec. 51. DIRECT MARKETING CAMPAIGN == FLEXIBLE FUEL
20 8 VEHICLES AND DIESEL POWERED VEHICLES. The office of energy
20 9 independence shall conduct a direct marketing campaign
20 10 specifically targeted to owners of flexible fuel vehicles and
20 11 diesel powered vehicles.

20 12 1. The direct marketing campaign shall include but is not
20 13 limited to education to increase owner awareness and knowledge
20 14 regarding all of the following:

20 15 a. Flexible fuel vehicles and E=85 as an alternative fuel
20 16 choice. The office shall provide owners with maps indicating
20 17 where retail motor fuel sites offering E=85 are located.

20 18 b. Diesel powered vehicles and biodiesel blended fuel as
20 19 an alternative fuel choice. The office shall provide owners
20 20 with information on but not limited to successful cold weather
20 21 handling and use of biodiesel blended fuel, engine
20 22 manufacturer warranties covering the use of biodiesel blended
20 23 fuel, and maps indicating where retail motor fuel sites
20 24 offering biodiesel blended fuel and terminals storing
20 25 biodiesel are located.

20 26 2. The department of transportation shall provide the
20 27 office with a list of the names and addresses of owners of
20 28 flexible fuel vehicles, including vehicles registered under

20 29 sections 321.109, 321.121, and 321.122.

20 30 3. The office shall complete the direct marketing campaign
20 31 by October 1, 2008.

20 32 Sec. 52. COLLABORATION. The office of energy independence
20 33 may collaborate with public or private organizations to carry
20 34 out the provisions of this division of this Act.

20 35 Sec. 53. FUNDING. The office of energy independence shall
21 1 carry out the provisions of this division of this Act using
21 2 moneys received by the office from all sources, including but
21 3 not limited to moneys appropriated to the office as provided
21 4 in section 469.10.

21 5 Sec. 54. EFFECTIVE DATE. This division of this Act, being
21 6 deemed of immediate importance, takes effect upon enactment.

21 7 HF 2689

21 8 da/jg/25